

User Pays Contract Expert Group Minutes Thursday 20 November 2008

E.ON, 6th Floor, 100 Pall Mall, London SW19 5NQ

Attendees

Bob Fletcher (Secretariat)	BF	Joint Office
Andy Miller	AM	xoserve
Colette Baldwin	CB	E.ON UK
David Addison	DA	xoserve – Agenda item 2 only
Graham Frankland	GF	xoserve
Helen Barratt	HB	xoserve
Joel Martin	JM	Scotia Gas Networks
Kevin Woollard	KW	British Gas
Lorna Gibb	LG	Scottish Power
Richard Phillips	LD	RWE npower
Shelley Rouse	SR	Statoil

Apologies

Mark Cockayne	xoserve
Jemma Woolston	Shell
Robert Cameron-Higgs	Northern Gas Networks
Rosie McGlynn	EDF
Tim Davis	Joint Office

1. Introduction

HB introduced the meeting and explained the agenda and meeting objectives.

RP made a general comment on the ToR for the group and asked if it was possible to prevent the group going over previous areas of discussion following receipt of comments from parties who do not attend the meeting. CB agreed this was desirable though unlikely as meetings are open and attendees can change at each meeting.

2. IAD Implementation

Members agreed to consider this additional item for the agenda. DA gave a presentation on the implementation requirements for IAD which should be completed by 8 December 2008.

KW asked if xoserve were considering introducing a transactional charge for this service. GF responded that xoserve would first need to understand customer usage over a period of months prior to developing a charge.

CB asked if GF could investigate why E.ON were experiencing issues with setting up LSOs.

Action UPCEG001: xoserve (GF) to investigate LSO issue raised by E.ON.

3. Refinements Register

AM explained the register and how the comments had been listed, including xoserve's responses where applicable. Unless stated below, the explanations were

discussed and agreed subject to legal review by the parties present. The notes below need to be read in conjunction with the Refinements Register.

Framework contract definitions

RP asked if all comments received by xoserve on the contract were to be made available to all parties. AM confirmed this is likely to happen, though respondent identities were to be removed.

AM asked if parties who were still to provide comments could do so asap as this will enable xoserve and other parties the opportunity to review all comments together saving time for all.

Conditions – Clause 3

AM explained xoserve's view and asked if the parties present had any other views on this clause. CB expressed concerns with this clause if the contract or services increase in cost or complexity. AM did have concerns the terms could become too restrictive and prevent additional services being developed or offered.

Conditions – Clause 5.2

AM gave an overview of xoserve's position. KW agreed with these views adding there is a consultation process for ACS charges.

Conditions – Clause 7.2

AM gave an overview of xoserve's position and the parties agreed to review their position and provide comments to xoserve.

Conditions – Clause 8.3

LG expressed concern over xoserve's view on this clause but agreed to continue with the process subject to review by her legal team.

Contract – Clause 11.1

CB considered the wording to be ambiguous. GF agreed to review the clause and clarify the drafting.

Action UPCEG002: xoserve (GF) to review drafting of clause 11.1.

Schedule 2

CB raised concerns how the charging processes for analysis costs were to be developed and implemented. RP agreed and asked how the process should link to the development work proposed for Modification Proposal 0213. JM gave a brief overview of the guidance note developed to support 0213 and KW asked if these could be examined by xoserve to develop a common approach.

CB added that it was usual for basic analysis not to be charged by commercial organisations. GF responded that xoserve needed to be cost reflective based on the services offered and they were not in a position to recover basic analysis costs by increasing margin on other services.

LG asked if xoserve could follow a similar approach to the DCUSA model where parties paid a fixed annual charge to fund basic analysis and were invoiced or rebated based on the analysis work undertaken during the year. GF agreed to review this option and respond.

Action UPCEG003: xoserve (GF) to review the funding of analysis activities model used by CUSC for its suitability for with User Pays.

GF asked parties if the charging provisions should be contractual or included in the terms of reference. AM added that he thought elements to support charging were already sufficient in the contract and any further conditions may mean the agreement is not flexible enough to allow the development of additional services.

CB asked how xoserve currently charge parties for non code services. GF advised that charges are based on a stage payments process to allow parties the option of stopping the process at an appropriate point if they wished to do so, while allowing xoserve to recover its costs.

LG was concerned that xoserve could stop a change at any time and although this was considered desirable for breach of contract or law, xoserve should not have sole discretion where this was for commercial reasons. CB asked if clauses 3.1 and 9.1 could be reviewed to allow referral back to the User Pays User Group rather than the proposer. GF agreed to review and provide a response.

Action UPCEG004: xoserve (GF) to review clauses 3.1 & 9.1 to refer change proposals back to the User Pays User Group.

Part 4

AM advised that xoserve were currently considering commercially available options for encryption. RP added that National Grid currently encrypt lists of policy meter exchanges sent to Suppliers and suggested xoserve contact them for a view on the encryption software they use.

Action UPCEG005: The Parties present agreed to review in particular, clauses 3, 7, 9, 12 and schedule 2 and provide any additional views to xoserve prior to meeting 8 December and where possible prior to 28 November.

4. Contract Walk-Through

The group agreed this section was explored within the discussions on the Register, though a full review should be planned for future meetings.

5. Any other Business

AM gave a brief update on the implementation of Modification 0192 which is scheduled for 21 February 2009. The modified ACS to incorporate the charges associated with this new Code Service will be published during January.

6. Diary Planning and Next Steps

The group agreed another meeting (in addition to the one scheduled for 8th December) should be arranged prior to Christmas; the date agreed is Monday 15 December at Elexon.

ACTION LOG – User Pays Contract Expert Group

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UPCEG 001	20/11/08	2	Investigate LSO issue raised by E.ON.	xoserve (GF)	
UPCEG 002	20/11/08	3	Review drafting of clause 11.1.	xoserve (GF)	
UPCEG 003	20/11/08	3	Review the funding of analysis activities model used by CUSC for its suitability for with User Pays.	xoserve (GF)	
UPCEG 004	20/11/08	3	To review clauses 3.1 & 9.1 to refer change proposals back to the User Pays User Group.	xoserve (GF)	
UPCEG 005	20/11/08	3	The Parties present agreed to review in particular, clauses 3, 7, 9, 12 and schedule 2 and provide any additional views to xoserve prior to meeting 8 December and where possible prior to 28 November.	All	
UPCEG 006	20/11/08	3	Confirm meeting location for meeting on 15 December 2008.	Joint Office (BF)	Meeting room arranged at Elexon Action Closed